GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:2571
ANSWERED ON:04.12.2002
ROAD CONSTRUCTION BY MULTINATIONAL COMPANIES
MADAN PRASAD JAISWAL;MANSINH PATEL;RAM SHAKAL;RATILAL KALIDAS VARMA

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether a number of foreign companies are engaged in road construction sector;

(b) if so, the details thereof;

(c) whether the Government propose to give some concessions to the foreign investors who are interested in investing in this sector;

(d) if so, the details thereof;

(e) the length of roads in kilometres being constructed by foreign companies in the country, State-wise;

(f) the amount allocated for this purpose;
(g) the projects which are lagging behind schedule;
(h) the reasons for delay; and
(i) the project-wise increase in cost due to delay?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (MAJOR GENERAL (R B.C.KHANDURI)

(a) & (b) Yes, Sir. 12 contracts are being executed by foreign companies exclusively and 35 contracts as Joint Venture partners with Indian companies, under the National Highway Development Project.

(c) & (d) Foreign investors are allowed 100% foreign direct investment in road sector.

(e) The details are at Annex.

(f) The total value of contracts for these projects is about Rs. 12,505 crores..

(g) Out of 47 contracts where foreign companies are involved, 16 are lagging behind schedule.

(h) The contracts are delayed due to problems associated with land acquisition, slow mobilization, quarry problems, tree cutting, Gujarat earthquake, etc.

(i) The contracts are at various stages of completion and many of the companies are still trying to make up the delay and complete the projects in time. As such, it is too early to assess the likely increase in cost due to delay.

ANNEX REFERRED TO IN REPLY TO PART (e) OF LOK SABHA UNSTARRED QUESTION NO. 2571 FOR ANSWE 4.12.2002 ASKED BY SHRI RATILAL KALIDAS VARMA, SHRI RAMSHAKAL, SHRI MANSINH PATEL AND DR. M.P. JAI REGARDING ROAD CONSTRUCTION BY MULTINATIONAL COMPANIES.

The State-wise length being constructed by foreign companies/Joint Ventures involving Foreign Companies.

STATE	LENGTH (in kms)
Andhra Pradesh	575
Bihar	106
Delhi	13
Gujarat	266

Jharkhand 79
Karnataka 298
Maharashtra 29
Orissa 221
Punjab 22
Rajasthan 98
Tamil Nadu 93
Uttar Pradesh 404
West Bengal 243